

## Message Text

UNCLASSIFIED

PAGE 01 NICOSI 02207 031428Z

45

ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 /020 W

----- 115977

R 031352Z AUG 76

FM AMEMBASSY NICOSIA

TO SECSTATE WASHDC 4071

INFO USDOC WASHDC

UNCLAS NICOSIA 2207

E. O. 11652: N/A

TAGS: BENC IBRD FBOL CY

SUBJECT: MAJOR PROJECT: GLASS FACTORY FOR CYPRUS

REF: STATE 188547

1. OWENS-ILLINOIS (O-I) DIRECTOR FOR MARKETING - EUROPE

MR. JAMES WALKER VISITED CYPRUS JULY 12-14, MET WITH  
CYPRUS DEVELOPMENT BANK AND GOC REPRESENTATIVES FROM  
MINISTRY OF COMMERCE/INDUSTRY TO REVIEW RESULT OF O-I STUDY  
ON PROPOSED PROJECT. O-I POSITION FOLLOWS:

(A) PROJECT AS CALLED FOR IN TENDER DOCUMENT IS UNECONOMIC  
BECAUSE CYPRUS MARKET HAS DIMINISHED (DUE TO THE 1974 WAR  
AND SUBSEQUENT SHARP DROP IN TOURISTS) AND BECAUSE MULTI-  
COLORS AND MULTIPLICITY OF MOLDS IS EXPENSIVE FOR PROPOSED  
CYPRUS VOLUME.

(B) SUGGESTION THAT FACTORY COULD BE GEARED TO EXPORT  
MARKET IN MIDDLE EAST REJECTED BY O-I FOR REASON THAT  
EXCESS CAPACITY ALREADY EXISTS IN ARAB WORLD AND MORE  
FACILITIES WILL COME ON TREAM SOON. ALSO O-I WOULD  
BE RELUCTANT TO ASSOCIATE ITSELF WITH AN NEW PRODUCTION  
VENTURE GEARED TO AN EXPORT MARKET WHICH THE VENTURE  
COULD NOT PROTECT.

2. WHILE O-I HAS FORMALLY REMOVED ITSELF FROM THE  
PROJECT IT OFFERED TO REVIEW SITUATION IN FIVE YEARS.  
IN MEANTIME O-I WILL CONTINUE TO SUPPLY CYPRUS MARKET  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 NICOSI 02207 031428Z

WITH BOTTLES MANUFACTURED FROM PLANTS IN SPAIN, GREECE,

ETC. IN WHICH O-I HAS EQUITY INTEREST. TO SOME EXTENT  
O-I VIEW OF PROJECT MAY BE COLORED BY O-I INTEREST IN  
CONTINUING TO SUPPLY CYPRUS MARKET WITH OWN BOTTLES.

3. WITH O-I OUT OF THE PICTURE, CYPRUS DEVELOPMENT BANK  
WILL CONTINUE TO ENTERTAIN OTHER NEW OFFERS, INCLUDING  
TOLEDO ENGINEERING. SUGGEST TOLEDO RENEW CONTACT DIRECTLY  
WTIH CYPRUS DEVELOPMENT BANK, PO BOX 1415, NICOSIA, CYPRUS.  
SUGGEST ALSO TOLEDO MAY WISH TO KEEP ECONOMIC/COMMERCIAL OFFICER  
OF EMBASSY INFORMED OF DEVELOPMENTS.  
DILLERY

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 03 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976NICOSI02207  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760299-0122  
**From:** NICOSIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760892/aaaaddab.tel  
**Line Count:** 72  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 188547  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <25 MAR 2004 by ReddocGW>; APPROVED <18 JAN 2005 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MAJOR PROJECT: GLASS FACTORY FOR CYPRUS  
**TAGS:** BENC, BFOL, CY, IBRD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006